# Green Procurement Greening your Government Contracts

TRACT



### **TOPICS**

- Review
- Applicability
- Contracting Requirements in RCRA
- DOD Policy and Strategy
- Federal Acquisition Regulations
- Implementation
  - Responsibilities
  - Applying GP to Specific Contract
  - Resources
  - Reporting



- \* Green Procurement involves which of the following attributes?
  - Biobased
  - Recycled Content
  - Ozone-Depleting
  - Environmentally Preferable
  - Energy Efficient
  - Alternative Fuels
  - Priority Chemicals
  - All of the above



\* Affirmative Procurement involves which two attributes of Green Procurement?

Biobased

Ozone-Depleting

Recycled Conten

Alternative Fuels





- \* How is Affirmative Procurement currently enforced by EPA?
  - Review of individual GPC purchases
  - Multimedia Inspections under RCRA
  - Spot-checks of federal office buildings
  - Through Energy Star accreditation



- \* All but one of the following are justifications for using an exception to affirmative procurement. Which is not?
  - Price
  - Performance
  - Purchased with GPC
  - Availability



Who at the installation level should be involved in Green Procurement?

- Contracting Personnel
- Anyone who requests, specifies, purchases, or contracts for products and services
- Engineers and Spec Writers
- Government Purchase Card Holders



- What entity designates recycled content products for Federal procurement preference?
  - The FAR Council
  - US Environmental Protection Agency
  - US Department of Agriculture
  - National Recycling Coalition



- What entity designates biobased products for Federal procurement preference?
  - The FAR Council
  - US Environmental Protection Agency
  - US Department of Agriculture
  - US Fish and Wildlife Service

### Federal Laws and Exec Orders

- Resource Conservation and Recovery Act (RCRA) of 1976
  - Codified in 40 CFR 247
- Energy Policy Act of 1992
- Farm Security and Rural Investment Act of 2002
- \* EOs 12873,13101,12845,13221,13123,13149, 13148
- Federal Acquisition Regulations

# Contractor Applicability

#### 40 CFR 247.2

- The guideline applies to Federal Agencies, to State and local agencies...and to persons contracting with any such agencies with respect to work performed under such contracts
- Procurement Actions include purchases made...directly by any person (e.g., a contractor) in support of work being performed for a procuring agency

# Contractor Applicability

EO 13101, Section 701. Contractor **Applicability.** Contracts that provide for contractor operation of a Government owned or leased facility and/or contracts that provide for contractor or other support services at Government owned or operated facilities awarded by executive agencies after the date of this order, shall include provisions that obligate the contractor to comply with the requirements of this order within the scope of its operations

## RCRA 6002 (c)

- Contracting Officers Shall Require Vendors to:
  - Certify that the percentage of recovered material to be used will meet the contract specs
  - Estimate the percentage of the total amount of recovered materials used in the execution of the contract

## RCRA 6002 (c)



**Price** 

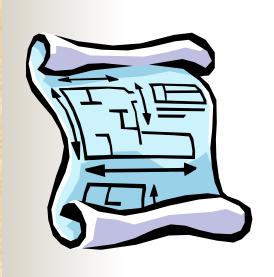


**Performance** 



- Procuring agencies must follow the CPGs unless the product:
  - Is available only at an unreasonable price
  - Will not meet reasonable performance standards
  - Is unavailable within a reasonable timeframe or at a sufficient level of competition

## RCRA 6002 (d)



- \*All Federal Agencies having responsibility for drafting or reviewing specifications for procurement items shall:
  - Eliminate any exclusion of recovered materials
  - Eliminate requirements for the use of virgin materials
  - Assure that specifications require the use of recovered material to the maximum extent possible

## RCRA 6002 (e)

\* Required EPA to develop CPGs and Recovered Materials Advisory Notices (RMANs) for the procurement of recovered content

products

## RCRA 6002 (i) PROCUREMENT PROGRAM

- Required Agency procurement programs to include:
  - A recovered materials preference program
  - A promotion program
  - A program for requiring estimates and certifications in contracts and for verifying those estimates and certifications
  - Annual review and monitoring of the Agency's affirmative procurement program

# DoD Green Procurement Policy and Strategy



- Jointly drafted by
  - Deputy Under Secretary of Defense for Installations and Environment and
  - Director, Defense Procurement and Acquisition Policy
- Issued 27 Aug 04
- Identifies GP responsibilities of procurement and acquisition personnel



- Responsibilities of Installation Procurement Offices:
  - Review procurement requests for green supplies and services
  - Provide guidance to procurement request originators
  - Incorporate green procurement language, provisions and FAR clauses in contracts
  - Ensure contract actions, through execution and close-out, meet FAR requirements for green procurement
  - Place written justification in contract file to explain why EPA-designated items not acquired

# DOD GP Policy and Strat

Responsibilities of Procurement Request Originators (including spec writers and program managers):

Identify whether green products and services are available and can satisfy requirements for price, performance, and availability

Ensure that relevant GP requirements are identified prior to submission to the contracting office or other source of supply

Consult with contractual and environmental specialists to prepare statements of work or specifications that incorporate relevant GP requirements

Document exceptions to GP requirements

Apply life-cycle cost concepts to determine cost effectiveness of green alternatives

Provide oversight of contract execution to ensure GP requirements are addressed in accordance with the terms of the contract



#### Responsibilities of Environmental Managers:

- Implement an awareness program to promote GP
- Advise the procurement request originators and contracting officers on acquisition strategies for green products and services and provide regulatory and availability information
- Provide GP consultation support to all personnel and organizations involved in the purchasing process
- Provide recommendations to management personnel across all purchasing organizations on the preparation, implementation, and monitoring of the GPP
- Assist procurement organizations and personnel in utilizing the DD Form 350 data and the ERLS tool to track performance

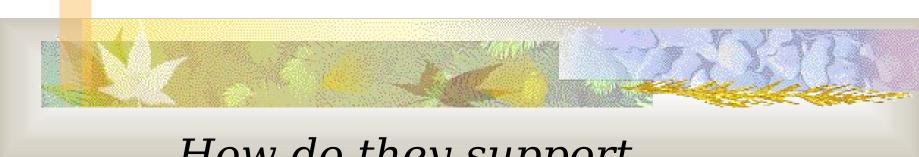
#### Army Regulation (AR) 200-1 Environmental Protection and Enhancement (1997)



\*Chapter 10 - Pollution Prevention, directs Army installations to:

 "Develop and implement an affirmative procurement program for all designated EPA guideline items containing recovered materials"

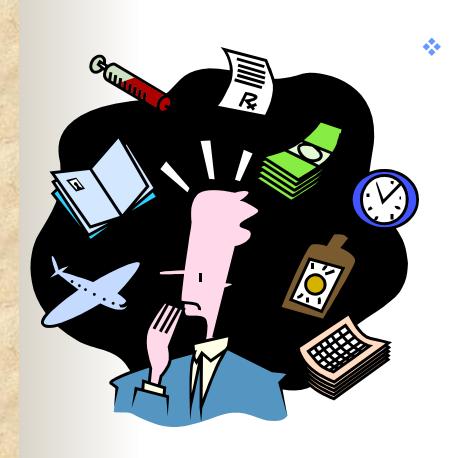
# THE FEDERAL ACQUISITION REGULATIONS (FAR)



How do they support affirmative procurement?



### Responsibilities



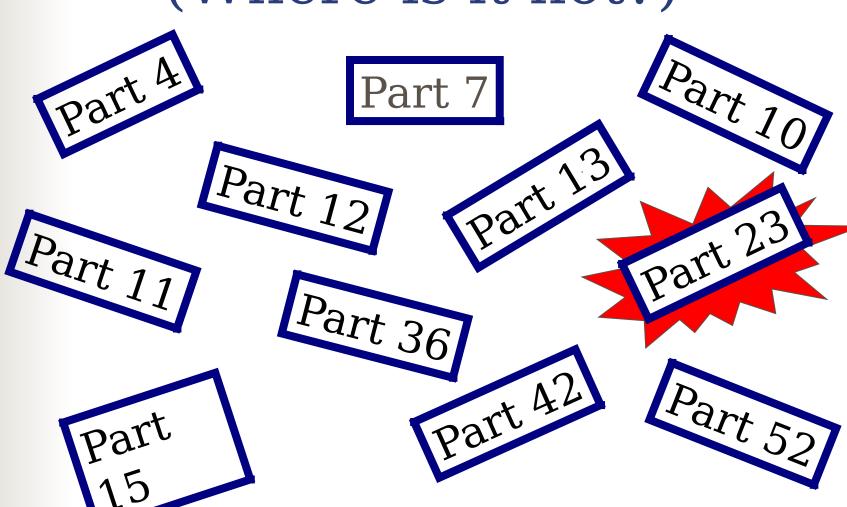
"Technical or requirements personnel and procurement personnel are responsible for the preparation, implementation, and monitoring of affirmative procurement programs." FAR 23.404(a)

#### OMB MEMO ON FAR IMPLEMENTATION OF GREENING THE GOV'T EOs

- \* For: Agency Senior Procurement

  Executives
- Dated: 12 July 2000
- Informs of the recent FAR up
- Highlights EOs 13101 and 13123
- Encourages full implementation
- Requests that memos be issued to staff

# Procurement in the FAR? (Where is it not?)



#### FAR PART 23 - ENVIRONMENT, ENERGY AND WATER EFFICIENCY, RENEWABLE ENERGY TECHNOLOGIES, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

- Subpart 23.2 Energy and Water Efficiency and Renewable Energy
- Subpart 23.4 Use of Recovered Materials
- Subpart 23.7 Contracting for Environmentally Preferable and Energy-Efficient Products and Services
- Subpart 23.8 Ozone-Depleting Substances

# Subpart 23.4 - Use of Recovered Materials

- **23.403 Policy.**
- Government policy on the use of recovered materials considers cost, availability of competition, and performance. The objective is to acquire competitively, in a costeffective manner, products that meet reasonable performance requirements and that are composed of the high percentage of recovered materia practicable.

# Section 23.405 - Procedures

- \*¶ (a) Applicability all acquisitions of EPA-designated products, including micropurchases
- \*¶ (b) Contracting officers should refer to the list of CPGs "when purchasing supplies that contain recovered material or services that could include supplies that contain recovered material."

### Section 23.405 -Procedures

- ¶ (c) above the micropurchase (\$2500), the KO must place written justification in the contract file for not meeting AP requirements
- \* ¶ (d) agencies must establish procedures to consolidate and report contributions.

#### SECTION 23.406 - SOLICITATION PROVISION AND CONTRACT CLAUSE

- \*¶ (a) Requires insertion of provision **52.223- 4**, Recovered Material Certification in solicitations that are for, or specify the use of, EPA-designated products containing recovered materials.
- \*¶ (b) Requires insertion of clause **52.223-9**, Estimate of Percentage of Recovered Material Content for EPA-Designated Products in solicitations and contracts exceeding \$100,000 that include the provision at 52.223-4.
- If technical personnel advise that estimates be verified, use the clause with Alternate I

### FAR CLAUSE 52.223-4, RECOVERED MATERIAL CERTIFICATION

- Must be included in solicitations for, or that specify the use of, recovered materials
- Reads: "As required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962(c)(3)(A)(i)), the offeror certifies, by signing this offer, that the percentage of recovered materials to be used in the performance of the contract will be at least the amount required by the applicable contract specifications."



# Standard Contract Terms and Conditions (example)

"Except as specifically waived in writing, for reasons of price, performance, or availability, any products provided as part of the performance of the contract must meet minimum percentage levels for recycled content as specified in exhibits A-1 through A-2 to these standard contract terms and conditions."

## Exhibit A-1 (example)

#### Paper and Paper Products

	% Postconsumer fiber	% Recovered Fiber
Paperboard	70%	100%
Bond paper	30%	30%
Corrugated containers	50%	50%

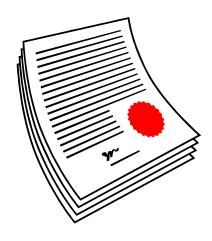
## Exhibit A-2 (example)

#### Lubricating Oils

All lubricating oil provided by the contractor must have a minimum rerefined oil content of twenty-five percent (25%)

# FAR CLAUSE 52.223-9, ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPADESIGNATED PRODUCTS

Must be included in contracts that exceed the simplified acquisition threshold (\$100K) and that are for the purchase of, or specify the use of, an EPA-designated item.



### CONTENT OF FAR CLAUSE 52.223-

- (a) defines postconsumer material and recovered material
- (b) requires the contractor to estimate the percentage of recovered materials actually used in performance of the contract
- (c) specifies to whom the estimate must be submitted
- Alternate I optional clause that includes a requirement for the contractor to provide written certification that the recovered material content for EPA designated items was at least the amount required by the contract specifications

# Subpart 23.7 - Contracting for Environmentally Preferable Energy-Efficient Products an Section Section 1981

- Agencies must implement cost-effective contracting preference programs promoting energy-efficiency, water conservation, and the acquisition of environmentally preferable products and services; and
- Eliminate or reduce generation of HW
- Promote cost-effective waste reduction when creating plans, drawings, specifications, standards, and other product descriptions authorizing material substitutions, extensions of shelf-life, and process improvements
- Consider the use of biobased products



- 23.704 Application to Governmentowned or -leased Facilities
- Contracts must include provisions that obligate the contractor to comply with waste reduction and affirmative procurement requirements
- 23.705 Contract Clause
- Clause 52.223-10, Waste Reduction
   Program applies to govt-owned or –leased facilities and to contracted support services

#### FAR CLAUSE 52.223-10, WASTE REDUCTION PROGRAM

- Defines recycling, waste prevention, and waste reduction
- Requires the contractor to establish a waste reduction program in all operations and facilities
- Requires contractors to comply with applicable regulations, specifically RCRA 6002 and 40 CFR Part 247

## Subpart 23.2 Energy and Water Efficiency and Renewable Energy

- **\* 23.202 Policy.**
- The Government's policy is to acquire supplies and services that promote energy and water efficiency, advance the use of renewable energy products, and help foster markets for emerging technologies. This policy extends to all acquisitions, including those below the simplified acquisition threshold.

### **Energy-Using Products**

- 23.203 Energy Efficient Products
  - Agencies shall purchase ENERGY STAR® or other energy-efficient items listed on the Department of Energy Federal Energy Management Program (FEMP) list; and
  - Agencies shall meet standby wattage recommendations on FEMP's Standby Power Devices product listing, or purchase products using no more than one watt in standby mode, or purchase with lowest practical standby wattage

(If life cycle cost effective and available)

### Contracting for Energy Efficient Products and Services



- 23.203 Energy Efficient Products
- \* When contracting for services that will include the provision of energy-using products, including contracts for design, construction, renovation, or maintenance of a public building, agencies will follow same guidelines as for purchasing products (energy efficiency and standby wattage)

#### Subpart 23.8 - Ozone-Depleting Substances



- 23.803 Policy.
  - Implement cost-effective programs to minimize the procurement of materials and substances that contribute to the depletion of stratospheric ozone; and
  - Give preference to the procurement of alternative chemicals, products, and manufacturing processes that reduce overall risks to human health and the environment by lessening the depletion of ozone in the upper atmosphere.

## Summary of FAR Requirements

Part 23

Part 4

Part 23 - Environment, Energy And Water Efficiency, Renewable Energy Technologies, Occupational Safety, And Drug-free Workplace

Summarizes AP regulations, policies, and part 36 procedures

Defines AP programs

Requires contracting officers to insert clauses (52.223-4 and 52.223-9) related to AP into solicitations and contracts

Requires contractors to estimate percentages actually used

#### Part 4 - Administrative Matters

Requires paper documents to be submitted on double-sided recycled paper

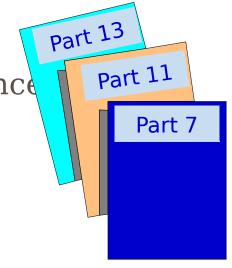
### Summary of FAR Requirements (cont'd)

#### Part 36 - Construction and Architect-Engineer Contracts

- Requires A-E firms to specify use of recovered materials in designs
- Includes AP in selection criteria for A-E firms

#### Part 7 - Acquisition Planning

- Requires planners to specify compliance with minimum content standards for paper
- ...And to comply with AP, EPP, and energy-efficient requirements



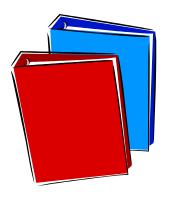
## Summary of FAR Requirements (cont'd)

#### Part 10 - Market Research

- Establishes policy to maximize use of recovered material & promote energy efficiency
- Market research must include seeking items containing recovered material

#### Part 11 - Describing Agency Needs

- Exec Agencies must consider AP and EPP in specs, descriptions, standards, requirements, and source selection criteria
- Agencies must not require virgin materials
- Agencies must use clause 52.211-5 on materials requirements



### Summary of FAR Requirements (cont'd)

#### Part 12 - Acquisition of Commercial Items

Directs the KO to use the provisions and clauses in FAR Part 23 for items being acquired

#### Part 13 - Simplified Acquisition Procedures

- Estimating recovered material use not applicable under \$100,000 and estimating clause is not required
- However, all purchases (including below micropurchase threshold) must meet AP requirements

#### Part 42 - Contract Administration

- Ensure compliance with specifications for use of environmentally preferable & energy efficient materials
- Ensure the contractor complies with reporting requirements for use of recovered materials



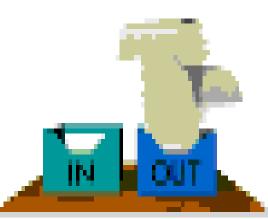


## Implementing Your Green Procurement Program

Maximizing the Use of Green Products in Contracts

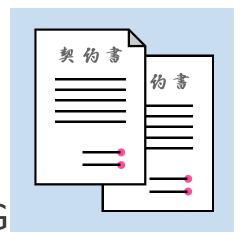
### Contract Development Checklist Items

- Purchase Request Document
- Statement of Work
- Service Contract Act Input
- Independent Government Estimate
- Sole Source Justification
- Lease vs. Purchase
- \* Firstiffcationtal Considerations
  - e.g., Requirements for Recovered Materials, Energy-Efficient Products, Ozone-Depleting Substances



## What Actions Does AP Apply To?

- Purchases of EPA-designated items (CPG items)
- Contracts for supplies that include CPG items
- Contracts for services that could include supplies of CPG items. All designated products used in support of work being performed under a contract are subject to AP requirements (e.g., contract printing)



### Justification Process

Decisions not to purchase EPAdesignated items with recycled content must be justified in writing [EO 13101 and FAR Part 23.405(c)]. Written justifications must be



- Placed in the contract file
- Sent to the Agency Environmental Executive (DUSD-I&E for DoD)

Applies to purchases above the micro-purchase threshold (\$2,500)

## What Types of Contracts are Affected?

- Purchase Orders (Automated Requisitioning System)
- Blanket Purchase Agreements
- Indefinite Delivery Contracts
- Service Contracts, for exam
  - Janitorial
  - Construction
  - Landscaping
  - Maintenance
  - Administrative
  - Materials or waste management
  - Fleet Service Agreements

## Service Contracts: Janitorial Services

- \* CPG items: sanitary tissue products made with recovered materials
- Environmentally Preferable cleaning products
  - Bathroom cleaners
  - Floor cleaners
  - Window cleaners
  - Carpet cleaners
  - Disinfectants
  - Liquid hand soap
- Recyclable collection/segregation
  - Waste Reduction clause

## Example Text for Janitorial Contract

All non-chemical products proposed for use under this contract must conform to the Environmental Protection Agency (EPA) Comprehensive Procurement Guidelines (CPG) if the products are EPA-designated items. It is desirable for products that meet

the desired objective (e.g., ability to clean effectively) and are not CPG-designated items also contain the highest possible amounts (by percentage) of recovered material(s) and post-consumer content.

#### Service Contracts: Grounds Maintenance

- EO 13101 Use of Recovered Materials
- CPG Items:
  - Hydraulic mulch, hoses, compost using food waste/yard trimmings, landscaping timbers and posts, lawn and garden edging

### Grounds Maintenance

- **Eberstideenatigethes**Government through Leadership in Environmental Management
- Landscaping Practices
  - Use of regionally native plants
  - Sustainable construction practices
  - P2 and Integrated pest management
    - Controlled use of fertilizer and pes
    - Alternate means of controlling pes
    - Recycling of green waste
    - Minimization of runoff
  - Water/energy efficient practices

### Service Contracts: Reproduction Services

- In-house Service
  - CPG Items Paper, Toner cartridges, Printer ribbon
  - Routine maintenance and reparts
  - Energy-Efficient Products
- Printing Services
  - Double-sided printing/copying
  - Recycled-content paper
  - Use of binders/file folders with recovered materials

# Construction Contracts: Examples of Recycled-Content Products

- Insulation:
  - Fiberglass 20% glass cullet
  - Cellulose 75% postconsumer paper
  - Rock wool 75% slag
- Floor Tiles:
  - 90-100% rubber or plastic
- Cement:
  - Containing fly ash or ground granulated blast furnace slag
- Concrete:
  - Containing fly ash or ground granulated blast furnace slag
- Carpet:
  - Polyester 25-100% PET



#### Carpet Cushion:

- Rubber 60-90% tire rubber
- Polyurethane 15-50%
- Jute containing burlap 40%

#### Latex Paint:

Reprocessed - 20-99%

#### Patio Blocks:

- Rubber 90-100%
- Plastic 90-100%

#### Shower and Restroom Dividers:

- Steel 16-30%
- Plastic 20-100%

## Construction Contracts: Other Green Considerations

- Low-VOC paints, adhesives, sealants, caulks
- Biobased construction materials
- Manufacturer reclaimed ceiling tiles
- Non-CFC foam insulation
- Wall coverings with PVC alternatives
- Energy-efficient and low-mercury lighting
- Low-flow toilets/flow-restricting faucets
- Certified wood products
- Rapidly renewable product
- "Rented" carpet
- Low maintenance features

# Sustainable Design and Development (SDD)

- The systematic consideration of current and future impacts of an activity, product, or decision on the environment, energy use, natural resources, economy, and quality of life
- Strategies that maximize use of natural conditions and beneficial materials, while minimizing the impact on the environment

### SDD and Military Construction



- First required by EO 12873, Federal Acquisition, Recycling and Waste Prevention, Oct 1993
- US Army Corps of Engineers (USACE) and Assistant Chief of Staff for Installation Management (ACSIM) have embraced the concept of SDD
  - Reflected in guide specifications and ETL 1110-3-491, Sustainable Design for Military Facilities
    - "Effective immediately all of our design for military facilities shall phase in SDD..." (ETL 1110-3-491, May 01))

### Rating Tools For SDD



- The Army required new construction designed after FY 06 to achieve the **gold** standard of the Sustainable Project Rating Tool (SPiRiT)
- \* A January 2006 ACSIM memo requires all new Army construction (except RCI) after FY 08 to meet the Leadership in Energy and Environmental Design (LEED) rating of **silver**

#### LEED

- LEED is a voluntary, consensus-based national standard for developing highperformance, sustainable buildings
- Ratings are achieved based on credits from sustainable design, construction, and practices.
   For example:
  - Alternative transportation
  - Water efficient landscaping
  - Use of recycled products
  - Renewable energy
  - Innovative wastewater technolog
  - Construction waste management
  - Use of certified wood
  - Low-emitting materials (indoor air quality)



### Green Ideas

- Develop standard section to be inserted in all contract specs, containing list of CPGs and RMANs applicable to the contract
- Use Unified Facilities Guide Specs (#01670) that contain requirements for use of recycled/recovered materials
- Develop a 'Green Building Checklist" using available LEED checklists for all construction projects – ensuring that environmental considerations are integrated into the process at an early stage

## Responsibilities of the Technical Activity/Requirements Generators

- Determine whether the contract involves the use of EPA- or USDA-designated products or services
  - Include the applicable RMANs or biobased standards for those products as specifications or technical exhibits
- Determine if there are green alternatives to other products or services used in the performance contract

### COR Responsibilitie



- Inspect product deliverables for specified recycled content or green attributes
- Maintain contract work file (justifications for non-compliant purchases)
- Review contractor purchases
- Ensure AP requirements for paper documents are met (FAR Part 4)
- Be familiar with pertinent contract clauses

### Contracting Officers' Responsibilities

- Refer to the list of CPGs "when purchasing supplies that contain recovered material or services that could include supplies that contain recovered material." (FAR23.405(b))
- Ensure that appropriate FAR clauses related to AP and Green Procurement are included in contracts
- Include environmental considerations as a selection criteria (HW management, P2, recycling, and AP)
- Modify existing contracts to include compliance with GP requirements

## Green Procurement Made Easy...

For Sample ContractLanguage

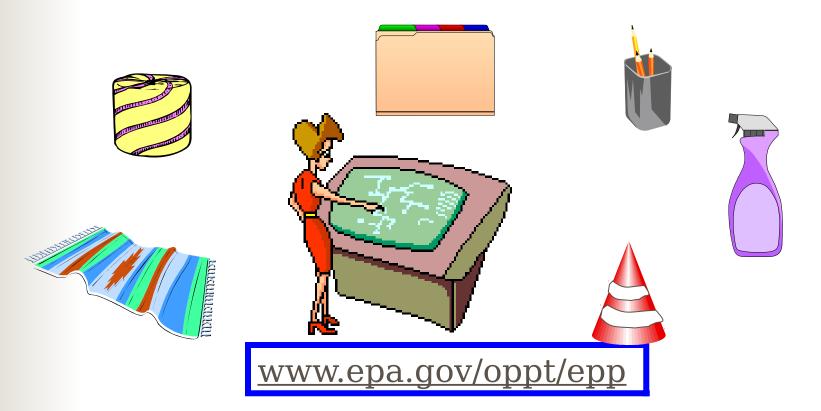
■ EPA: www.epa.gov/oppt/epp

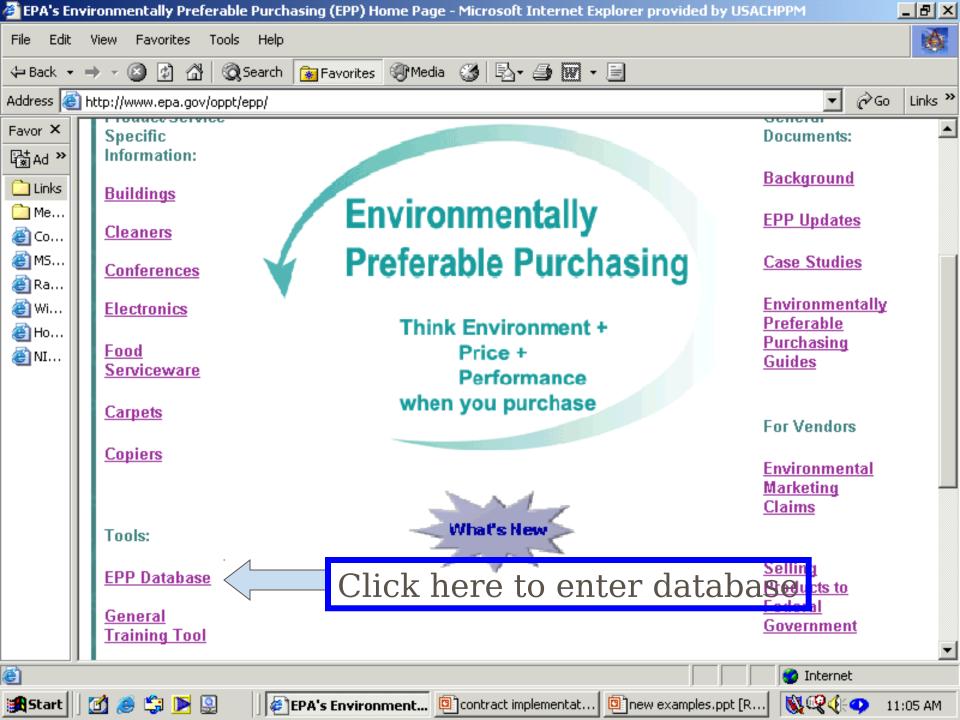


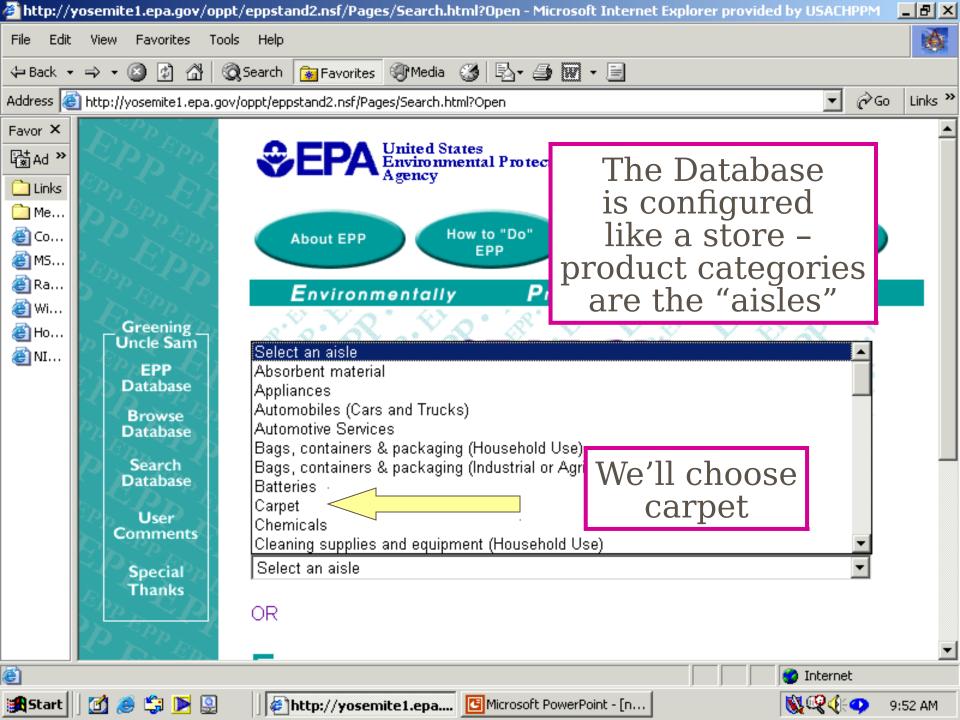
https://list.denix.osd.mil/lyris

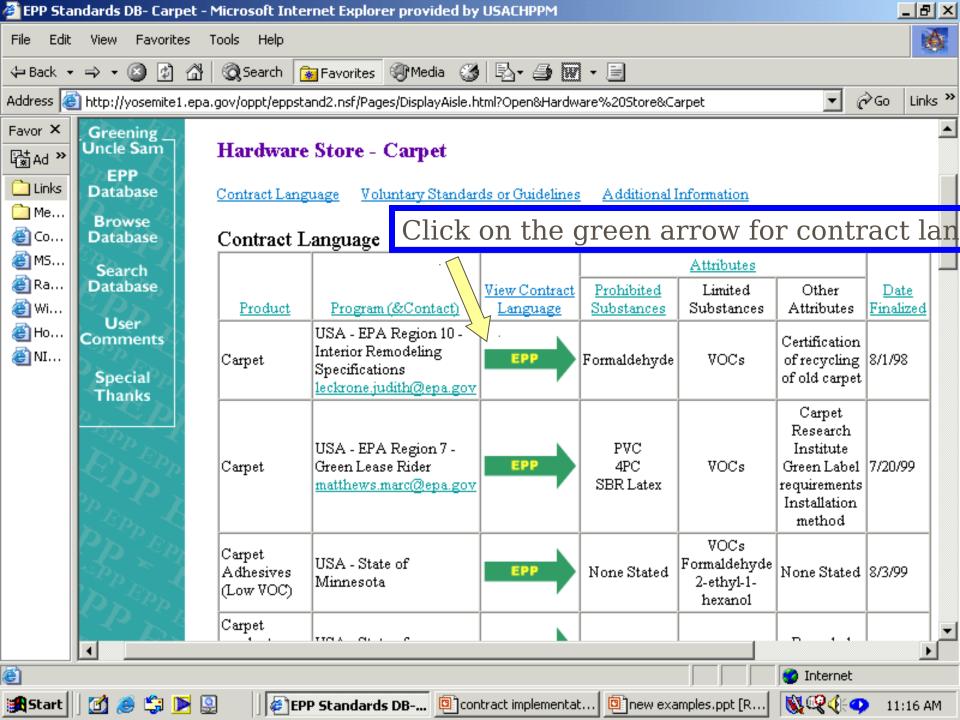


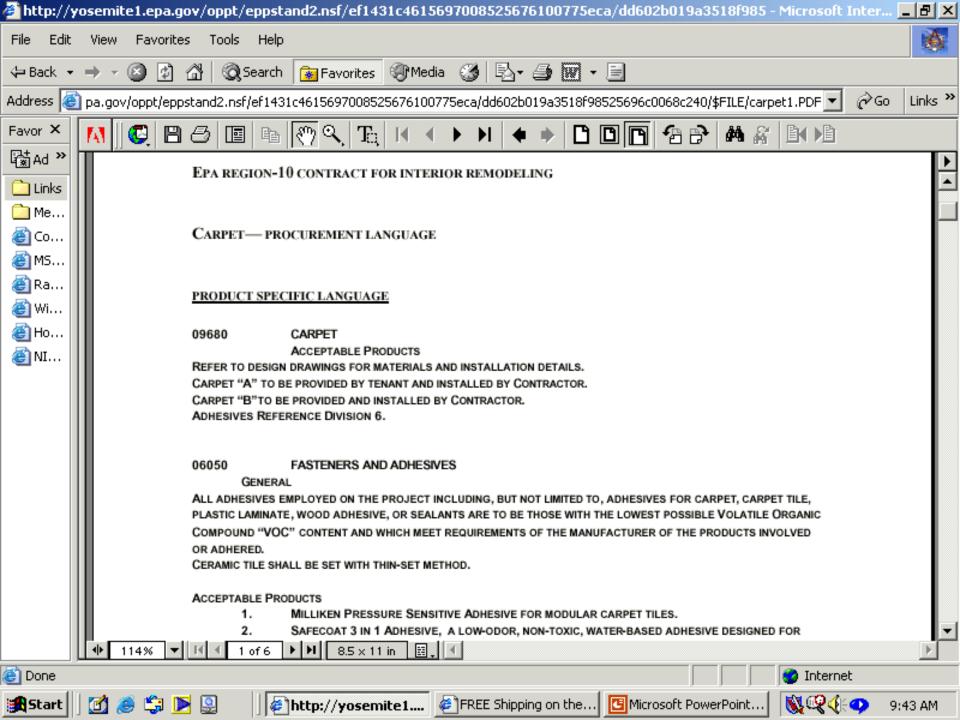
### EPA Environmentally Preferable Purchasing Database

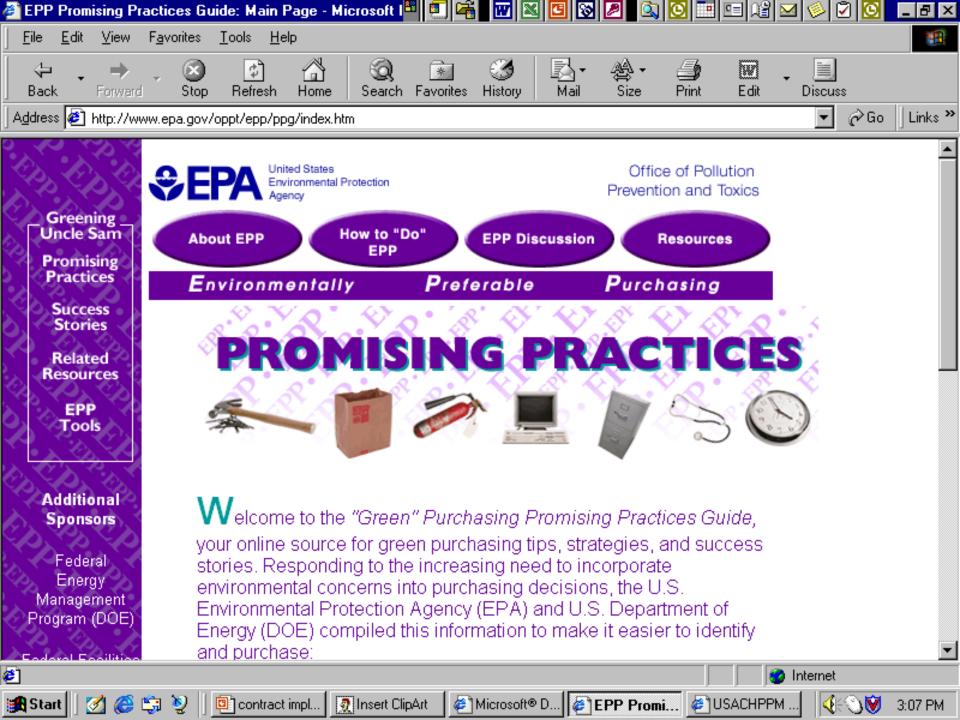


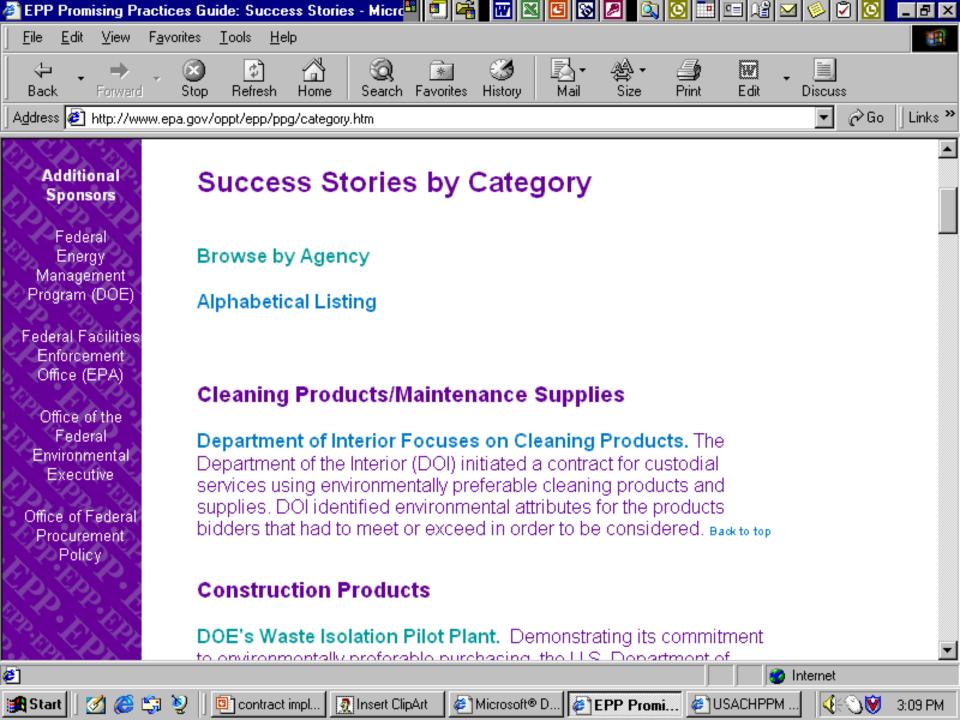




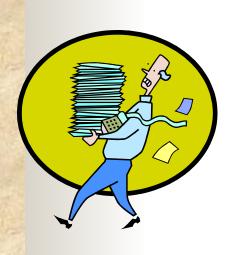








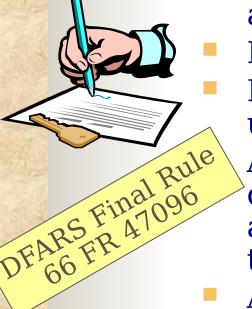
### Reporting of AP Purchases



- Federal Agencies are required to report AP purchases annually to the Offices of Federal Procurement Policy (OFPP) and Federal Environmental Executive (OFEE)
- Federal Supply Sources such as GSA and DLA report purchases directly to the above offices

# Reporting Requirements (Contracts)

- DD Form 350 (Individual Contracting Action Report) was updated 1 Oct 01 to include fields for AP tracking (SF 279 for civilian agencies also updated)
- DFARS requires AP tracking via DD 350
  - Federal Procurement Data System (FPDS) used to track data at higher levels
  - Able to track number of contracts for designated items, percentage of procurement actions containing AP contract clauses, and the dollar amount of these contracts
- Also tracks the justifications used for noncompliant purchases



# FPDS-Next Generation and CAR

- FPDS-NG and the Contract Action Report (CAR) has replaced DD350, and includes the following fields:
  - Use of Recovered Materials
    - **FAR 52.223-4 Included**
    - FAR 52.223-4 and FAR 52.223-9 Included
    - No Clauses Included
  - Use of EPA-Designated Products
    - **Meets requirements**
    - Does not meet Justification: Performance
    - Does not meet Justification: Price
    - Does not meet Justification: Time
    - Not required

## Measuring Our Success DOD GPP Metrics

- Reduce incidents of marking code "E" (no EPA-designated products acquired) on the DD 350
- Increase purchases of "green" indicator items (using ERLS data)
- Increase percentage of contracting personnel who receive formal green procurement training





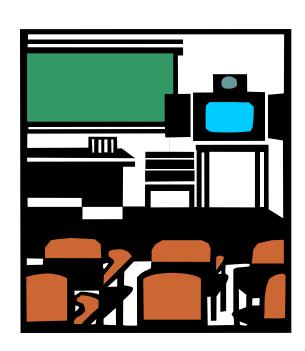
# Environmental Reporting Logistics System (ERLS) DLA's Automated Reporting System

- Provides web-based tracking and reporting for hazardous, radioactive, and environmentally preferable (green) products purchased by federal agencies
- \* ERLS Green Procurement Report (GPR) tracks green and non-green products purchased from DLA and GSA using environmental attribute codes (CPG, energy efficient, low VOC, water conserving, asbestos alternatives)
- Provides data at DOD Acquisition Activity Code (DODAAC) and installation level
- Data source for DOD Green Procurement Program metrics



## Tracking Training

- Incorporate training into required KO training
- Use training data for job series 1102 (contracting) for percent of personnel trained
- Data source for DOD metric



#### What Should You Do?

- Include appropriate product specifications and FAR clauses in applicable contracts
- Use the DD 350 to capture contract purchases of CPG products
- Document GP Program Elements
  - Program and procurement policy
  - Awareness training
  - Written justifications for AP exceptions
- Incorporate GP into COR training
- Add GP to contract checklists
- Respond to future requests for reporting data

## Questions

